(vii) Allowing cotton import under OGL at Zero duty.

(viii) Placing a cap on Central Government's borowings from the RBI through the issue of ad hoc Treasury Bills and containing monetary growth through a series of measures including raising of CRR and sale of Government securities by the RBI.

Bank officials Chargesheeted in fraud case

257. SHRI VIREN J. SHAH:
SHRI PRAMOD MAHAJAN:

Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the news-item which appeared in the Patriot of the 29th December, 1994 under the caption, "Bank officials chargesheeted in fraud case";

(b) if so, what are the facts and necessary details in this regard;

(c) whether the Central Bureau of Investigation has conducted enquiry in this case; if so, what are the results of the enquiry and what further action has been taken in pursuance thereof;

(d) how much amount has been defrauded in the case and what steps have been taken or are proposed to be taken to recover this amount; and

(e) how many such fraud cases have been detected in respect of each Public Sector Bank during each of the last three years; What are the details of each such fraud case and what steps have been taken to recover the defrauded funds?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) Yes, Government have seen the news-item which appeared in the 29th December, 1994 issue of the Patriot captioned "Top ex-officials of New Bank booked for cheating".

(b) to (e) The CBI had carried out a detailed investigation relating to sanction of credit facilities to M/s. Dream City Builders (P Ltd. by the erstwhile New Bank of India. The investigations revealed that the former Chairman & Managing Director the ex-Executive Director and a Manager of the bank had in conspiracy with other accused persons illegally and unauthorisedly processed, sanctioned and released credit facilities to the tune of Rs. 1.69 crores to M/s. Dream City Builders (P) Ltd. The end use of the funds were not watched properly. A suit was filed against the company for recovery of its dues and consequently Court orders ere obtained in August 1993 for winding up M/s Dream City Builders (P) Ltd. and an official liquidator has been appointed for liquidation of the company.

The details of cases where credit facilities were extended fraudulently as reported by Public Sector Banks to RBI for the years 1992, 1993 and upto Septemebr 1994 is given in the Statement (*See* below)

The banks generally have some securities to cover advances extended by them. They also file civil and criminal cases against the culprits and claim appropriate reliefs.

Statement

Cases reported by Public Sector Banks to RBI wherein credit facilities were extended fraudulently during the Years **1992, 1993** *and* **1994** *(upto* **30-9-94)**

(Amount in lakhs of Rs.)

Name of the Bank	1992		1993		1994 (upto 30-9-94)	
	No.	Amount	No.	Amount	No.	Amount
1. State Bank of India	1	0.34	4	5.66	3	115.24
2. State Bank of Bikaner & Jaipur	..	..	2	4.29	..	.
3. State Bank of Mysore	..	.	1	0.26	3	40.50
4. State Bank of Saurashtra	1	43.50	..	..	1	5.67
5. Andhra Bank	6	746.62	12	1855.10	4	93.33
6. Bank of Baroda	2	17.66	1	1.99	2	410.85
7. Bank of India	1	9.21	1	4.39	3	37.73
8. Bank of Maharashtra	2	96.84	1	145.00	3	22.12
9. Canara Bank	2	16.24	—	—	—	—
10. Central Bank of India	..	..	1	0.05	1	6.48
11. Corporation Bank	..	..	1	33.01	..	..
12. Dena Bank	..	..	..	..	1	134.01
13. Indian Bank	1	88.33	..	..	1	1.59
14. Indian Overseas Bank	..	..	1	20.64	1	6.45
15. Oriental Bank of Commerce	..	..	1	52.90	1	124.33
16. Punjab National Bank	4	19.45	3	44.21	1	214.39
17. Punjab & Sind Bank	..	..	2	206.33	..	..
18. Syndicate Bank	1	0.02	..	..	..	..
19. Union Bank of India	..	..	1	617.91	1	269.54
20. United Bank of India	1	120.81	..	..	4	84.27
21. UCO Bank	..	..	..	..	1	64.96
22. Vijaya Bank	..	..	3	19.73	1	0.66